

Testimony re: HB 5558 and HB 5559 10-29-09

Good morning. My name is Stephanie Glysson and I am the Area Governmental Affairs and Municipal Services Manager for Republic Services of Michigan which now includes Allied Waste. Republic owns and/or operates fifteen municipal waste landfills, nine transfer stations and 20 hauling companies in the State of Michigan.

The perception of our business and the performance of our business are quite different. What was once an unskilled trade is today a highly skilled profession employing scientists, hydrogeologists, geologists, and engineers. What was once a completely unregulated activity is today more environmentally regulated than most others.

As a responsible and responsive industry, we consider ourselves good corporate citizens and community partners. We are good neighbors in the communities where we work and live and consider ourselves to be on the front lines of environmental protection. Our Company has continued to expand municipal recycling services, even though recycling has not always been the most economically viable service offering.

Despite providing one of the most essential public services, our industry has become a target for additional increased taxes that will cost Michigan businesses and households millions of dollars each year. House Bill 5558 would implement a \$7.50 per ton Tax, which will raise the tipping fees on Michigan's landfills and incinerators. For

the purposes of understanding the impact of these measures, I will talk about the cost of raising the current fees another \$7.50 per ton.

The industry currently pays host community fees by agreement, statutory fees, local ordinance fees, County fees, licensing fees, administration fees, permit fees, etc...most of which fund the same kind of recycling services proposed in this bill. These fees are all assessed upon the same single ton of garbage. How many times is this ton to be taxed?

In reality, HB 5558 places taxes in a garbage bill, creating an additional burden to Michiganders, falling primarily on Michigan businesses and industries with the consumer ultimately paying the price. Michigan alone generated approximately 13,305,000 million tons of trash that was landfilled last year. (mind you this number does not represent the volume that was incinerated). Based on those figures, an increase of \$7.50 per ton would cost Michigan businesses and households an added \$99,787,500 a year.

HB 5558 fails to recognize these increased costs, on goods and services. The cost to businesses that generate large volumes of trash would be significant. Industrial and food manufacturers, travel and tourism enterprises such as amusement parks and hotels, the residential and commercial construction industry, schools and hospitals, even the government, will see their cost of doing business in Michigan rise. And in the long run, businesses will pass the increase along to consumers. Michiganders will PAY twice, three, maybe four times over.

Eleven counties will ultimately pay 53% of this fee, that will be collected by the landfills and remitted to the State. These counties currently have the highest rate of recycling in the State. These 11 counties already collect fees to fund their recycling programs. As stated in the Michigan Recycling Coalition's spring/summer 2002 newsletter, " recycling programs may be established (in other communities) using money extracted from local communities that have long since stepped up to the responsibility, and cost, of sustainable solid waste management". Hence, this bill will ultimately punish those communities and businesses already funding their own programs by imposing a fee for services already provided.

If the true purpose of HB 5558 is to positively impact recycling in the future, we must first recognize the need to design for recyclability, provide incentives for market development and promote accountability, as the waste industry is now held accountable.

And last but not least counting on dollars from an industry whose volumes drastically fluctuate from one year to the next, is not sustainable. I direct your attention to the MDEQ solid waste fund that has continued to dwindle year after year as the volume of waste being disposed of has continued to decrease. This proposed legislation is like the tail wagging the dog. We need to start at the beginning of this cycle not the end. We need to close the loop for sustainability.

We maintain that the cost of doing business in Michigan is already high enough. Raising taxes on trash is an inappropriate way to address the States recycling participation or budget deficiencies and

will have long-term, adverse consequences on Michigan's economy, Michigan's job's and Michigan's future.

For the above reasons, the Republic Services of Michigan/Allied Waste opposes both HB 5558 and 5559.

Thank you for your time and consideration.

Respectfully,

Stephanie Glysson

Director of Governmental Affairs

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PS: In light of the fact that Michigan is the largest exporter of hazardous waste to Canada (three times what New York sends) and Michigan lawmakers in Washington voted to construct the largest nuclear waste disposal site in Nevada, Michigan should shy away from the transparent "don't dump on me" mentality. What's the saying? Those who live in glass houses shouldn't throw garbage!

Effects of \$7.50/Ton Tax Proposal

Reference #	Type of Business	Yearly Tons	\$7.50/Ton Tax	Regional Location
1	Independent Restaurant	52	\$ 390.00	West MI
2	Veterinary Hospital	69	\$ 520.00	Southeast MI
3	Commercial	70	\$ 520.00	Southeast MI
4	Hospital	100	\$ 750.00	West MI
5	Car Service	104	\$ 780.00	Southeast MI
6	Community Agency	104	\$ 780.00	Southeast MI
7	Chain Restaurant	121	\$ 907.00	West MI
8	Commercial	139	\$ 1,040.00	Southeast MI
9	Government Apartments	140	\$ 1,050.00	West MI
10	Restaurant	277	\$ 2,080.00	Southeast MI
11	Service Company	277	\$ 2,080.00	Southeast MI
12	Ethnic Food Market	416	\$ 3,120.00	Southeast MI
13	Municipality	438	\$ 3,285.00	West MI
14	Food Distributor	643	\$ 4,822.00	West MI
15	Municipality	767	\$ 5,752.00	West MI
16	Manufacturer	871	\$ 6,532.00	West MI
17	Production Builder	964	\$ 7,230.00	West MI
18	Commercial Builder	1265	\$ 9,487.00	West MI
19	Production Builder	1631	\$ 12,232.00	West MI
20	Industrial	1759	\$ 13,192.00	West MI
21	Apartment Development	2080	\$ 15,600.00	Southeast MI
22	Auto Industry	2080	\$ 15,600.00	Southeast MI
23	School District-Urban	3500	\$ 26,250.00	Southeast MI
24	Retail Store	3640	\$ 27,300.00	Southeast MI
25	Commercial	4000	\$ 30,000.00	West MI
26	Hospital	5000	\$ 37,500.00	Southeast MI
27	Commercial	6000	\$ 45,000.00	West MI
28	Retail Store	8735	\$ 65,500.00	Southeast MI
29	Industrial	10200	\$ 76,500.00	West MI
30	Hospital	13103	\$ 98,272.00	Southeast MI
31	City Government	17470	\$ 131,030.00	Southeast MI
32	Hauler	25000	\$ 187,500.00	West MI
33	Hauler	30000	\$ 225,000.00	West MI
34	Township Government	30000	\$ 225,000.00	Southeast MI
35	Biosolids Company	31000	\$ 232,500.00	Central MI
36	Utility	40000	\$ 300,000.00	South MI
37	Township Government	45000	\$ 337,500.00	Southeast MI
38	Utility	55000	\$ 412,500.00	West MI
39	School District-Urban	70507	\$ 528,800.00	Southeast MI
40	Industrial	71000	\$ 532,500.00	West MI
41	Industrial	80000	\$ 600,000.00	Northwest MI
42	Industrial	84000	\$ 630,000.00	West MI